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UNITED STATES INTERNATIONAL TRADE COMMISSION

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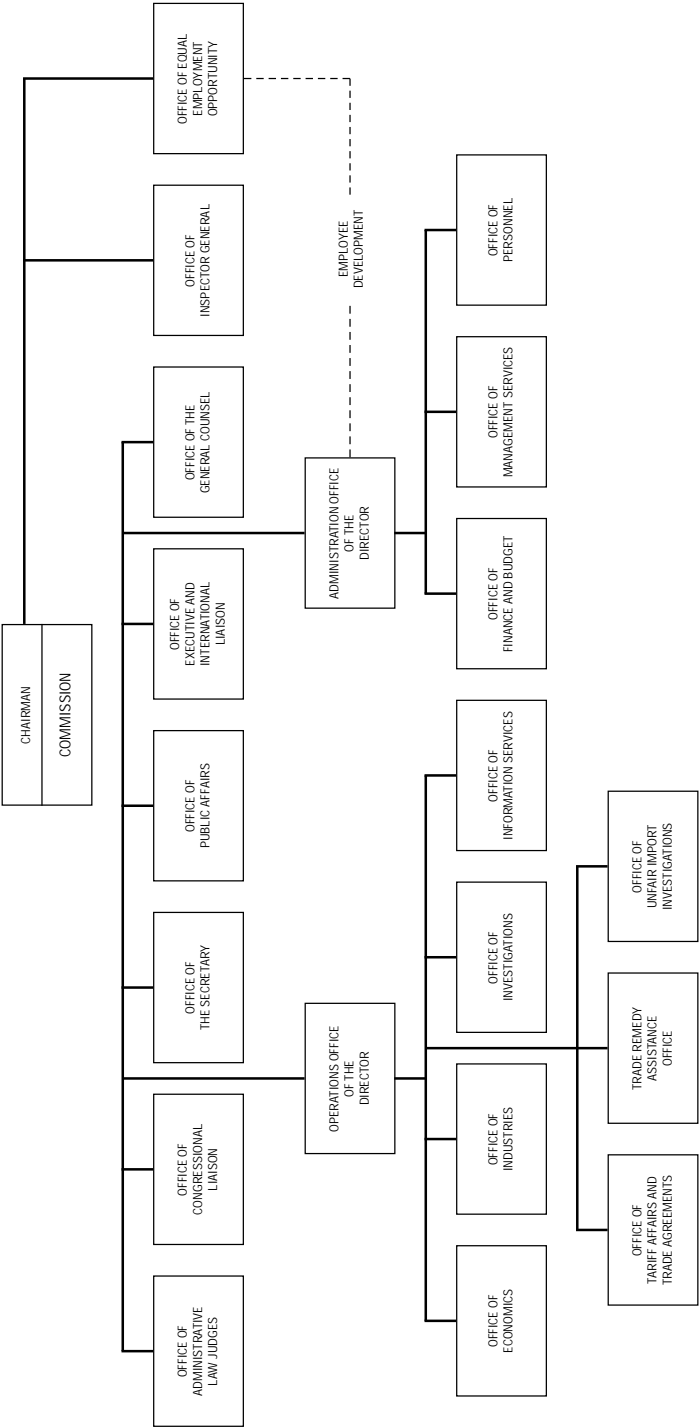
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The United States International Trade Commission furnishes studies, reports, and recommendations involving international trade and tariffs to the President, the Congress, and other Government agencies. In this capacity, the Commission conducts a variety of investigations, public hearings, and research projects pertaining to the international trade policies of the United States.

The United States International Trade Commission is an independent agency created by act of September 8, 1916 (39 Stat. 795), and originally named the United States Tariff Commission. The

name was changed to the United States International Trade Commission by section 171 of the Trade Act of 1974 (19 U.S.C. 2231). The Commission's present powers and duties are provided for

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largely by the Tariff Act of 1930 (19 U.S.C. 1654); the Agricultural Adjustment Act (7 U.S.C. 601); the Trade Expansion Act of 1962 (19 U.S.C. 1801); the Trade Act of 1974 (19 U.S.C. 2101); the Trade Agreements Act of 1979 (19 U.S.C. 2501); and the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2901).

Six Commissioners are appointed by the President with the advice and consent of the Senate for 9-year terms, unless appointed to fill an unexpired term. The Chairman and Vice Chairman are designated by the President for 2-year terms, and succeeding Chairmen may not be of the same political party. The Chairman generally is responsible for the administration of the Commission. Not more than three Commissioners may be members of the same political party (19 U.S.C. 1330).

Activities

The Commission performs a number of functions pursuant to the statutes referred to above. Under the Tariff Act of 1930, the Commission is given broad powers of investigation relating to the customs laws of the United States and foreign countries; the volume of importation in comparison with domestic production and consumption; the conditions, causes, and effects relating to competition of foreign industries with those of the United States; and all other factors affecting competition between articles of the United States and imported articles. The Commission is required to make available to the President and to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate, whenever requested, all information at its command and is directed to make such investigations and reports as may be requested by the President or by either of said committees or by either branch of the Congress. The Omnibus Trade and Competitiveness Act of 1988 amended several of the statutes administered by the Commission and, in addition, required the Commission to conduct

several industry competitiveness investigations.

In order to carry out these responsibilities, the Commission is required to engage in extensive research, conduct specialized studies, and maintain a high degree of expertise in all matters relating to the commercial and international trade policies of the United States.

Trade Negotiations The Commission advises the President as to the probable economic effect on the domestic industry and consumers of modification of duties and other barriers to trade that may be considered for inclusion in any proposed trade agreement with foreign countries (19 U.S.C. 2151).

Generalized System of Preferences The Commission advises the President with respect to every article that may be considered for preferential removal of the duty on imports from designated developing countries as to the probable economic effect the preferential removal of duty will have on the domestic industry and on consumers (19 U.S.C. 2151, 2163).

Industry Adjustment to Import Competition (Global Safeguard Actions) The Commission conducts investigations upon petition on behalf of an industry, a firm, a group of workers, or other entity representative of an industry to determine whether an article is being imported in such increased quantities as to be a substantial cause of serious injury or threat thereof to the domestic industry producing an article like or directly competitive with the imported article (19 U.S.C. 2251–2254). If the Commission's finding is affirmative, it recommends to the President the action that would address such injury and be most effective in facilitating positive adjustment by the industry to import competition. The President has discretion to take action that could be in the form of an increase in duties, imposition of a quota, negotiation of orderly marketing agreements, or provision of adjustment assistance to groups of workers, firms, or communities. If the President does not provide relief or does not provide relief in the form recommended by the

Commission, Congress may, by means of a joint resolution disapproving the action of the President, direct the President to provide the relief recommended by the Commission (19 U.S.C. 2251–2254).

The Commission reports with respect to developments within an industry that has been granted import relief and advises the President of the probable economic effect of the reduction or elimination of the tariff increase that has been granted. The President may continue, modify, or terminate the import relief previously granted.

Imports from NAFTA Countries (Bilateral Safeguard Actions) The Commission conducts investigations to determine whether, as a result of the reduction or elimination of a duty provided for under the North American Free Trade Agreement (NAFTA), a Canadian article or a Mexican article, as the case may be, is being imported into the United States in such increased quantities and under such conditions so that imports of the article constitute a substantial cause of serious injury or (except in the case of a Canadian article) a threat of serious injury to the domestic industry producing an article that is like or directly competitive with the imported article (19 U.S.C. 3351–3356). If the Commission's determination is in the affirmative, the Commission recommends to the President the relief which is necessary to prevent or remedy serious injury. Such relief generally would take the form of the suspension of any further reduction in the rate of duty for such article from the subject country provided for in NAFTA, or an increase in the rate of duty on such article from such country to the lesser of the general column 1 rate of duty on such article or the column 1 rate of duty in effect immediately prior to the entry into force of NAFTA. Commission investigations under these provisions are similar procedurally to those conducted under the global safeguard action provisions.

Market Disruption From Communist Countries The Commission conducts investigations to determine whether increased imports of an article produced in a Communist country are causing

market disruption in the United States (19 U.S.C. 2436). If the Commission's determination is in the affirmative, the President may take the same action as in the case of serious injury to an industry, except that the action would apply only to imports of the article from the Communist country. Commission investigations conducted under this provision are similar procedurally to those conducted under the global safeguard action provisions.

East-West Trade Monitoring System The Commission monitors imports into the United States from nonmarket-economy countries and makes a report at least once each calendar quarter on the effect of such imports on the production of like or directly competitive articles in the United States and on employment within the industry (19 U.S.C. 2240).

Imported Articles Subsidized or Sold at Less Than Fair Value The Commission conducts preliminary investigations under the Tariff Act of 1930 to determine whether there is reasonable indication of material injury to, threat of material injury to, or material retardation of the establishment of an industry in the United States by reason of imports of foreign merchandise allegedly being subsidized or sold at less than fair value (19 U.S.C. 1671, 1673, 1675). If the Commission's determination is affirmative, and the Secretary of Commerce further determines that the foreign merchandise is being subsidized or is being, or is likely to be, sold at less than its fair value, or there is reason to believe or suspect such unfair practices are occurring, then the Commission conducts final investigations to determine whether a U.S. industry is materially injured or threatened with material injury, or its establishment is materially retarded by reason of such imports.

If the Secretary of Commerce determines to suspend an investigation upon acceptance of an agreement to eliminate the injurious effect of subsidized imports or imports sold at less than fair value, the Commission may conduct an investigation to determine

whether the injurious effect of imports of the merchandise that was the subject of the suspended investigation is eliminated completely by the agreement. The Commission also conducts investigations to determine whether in light of changed circumstances such a suspension agreement continues to eliminate completely the injurious effect of imports of the merchandise.

The Commission conducts investigations to determine whether changed circumstances exist that indicate that an industry in the United States would not be threatened with material injury, or the establishment of such an industry would not be materially retarded, if the countervailing duty order or antidumping order resulting from affirmative final determinations by the Commission and Secretary of Commerce were modified or revoked.

With regard to imports of articles from countries not party to the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade, the Commission determines, with respect to any such duty-free article that the Secretary of Commerce has determined is being subsidized, whether an industry in the United States is materially injured or threatened with material injury, or its establishment is materially retarded by reason of such imports (19 U.S.C. 1303). **Import Interference With Agricultural Programs** The Commission conducts investigations at the direction of the President to determine whether any articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or to materially interfere with, programs of the Department of Agriculture for agricultural commodities or products thereof, or to reduce substantially the amount of any product processed in the United States from such commodities or products, and makes findings and recommendations (7 U.S.C. 624). The President may restrict the imports in question by imposition of either import fees or quotas. Such fees or quotas may be applied only against

countries that are not members of the World Trade Organization. **Unfair Practices in Import Trade** The Commission applies U.S. statutory and common law of unfair competition to the importation of products into the United States and their sale (19 U.S.C. 1337). The statute declares unlawful unfair methods of competition and unfair acts in the importation or sale of products in the United States, the threat or effect of which is to destroy or substantially injure a domestic industry, prevent the establishment of such an industry, or restrain or monopolize trade and commerce in the United States. The statute also declares as unlawful per se infringement of a valid and enforceable U.S. patent, copyright, registered trademark, or maskwork; no resulting injury need be found. If the Commission determines that there is a violation of the statute, it is to direct that the articles involved be excluded from entry into the United States, or it may issue cease-and-desist orders directing the person engaged in such violation to cease and desist from engaging in such unfair methods or acts.

Provision is made for the Commission to make certain public interest determinations that could result in the withholding of an exclusion or cease-and-desist order. The President may, within 60 days after the issuance of a Commission order, disapprove the order for policy reasons. Commission determinations of violation are subject to court review.

Uniform Statistical Data The Commission, in cooperation with the Secretary of the Treasury and the Secretary of Commerce, establishes for statistical purposes an enumeration of articles imported into the United States and exported from the United States, and seeks to establish comparability of such statistics with statistical programs for domestic production (19 U.S.C. 1484).

In conjunction with such activities, the three agencies are to develop concepts for an international commodity code for reporting transactions in international trade and to report thereon to the Congress (19 U.S.C. 1484).

Harmonized Tariff Schedule of the United States, Annotated The Commission issues a publication containing the U.S. tariff schedules and related matters and considers questions concerning the arrangement of such schedules and the classification of articles (19 U.S.C. note prec. 1202, 1484).

International Trade Studies The Commission conducts studies, investigations, and research projects on a broad range of topics relating to international trade, pursuant to requests of the President, the House Ways and Means Committee, the Senate Finance Committee, either branch of the Congress, or on its own motion (19 U.S.C. 1332). Public reports of these studies, investigations, and research projects are issued in most cases.

The Commission also keeps informed of the operation and effect of provisions relating to duties or other import restrictions of the United States contained in various trade agreements (19 U.S.C. 2482). Occasionally the Commission is required by statute to perform specific trade-related studies.

Industry and Trade Summaries The Commission prepares and publishes, from time to time, a series of summaries of trade and tariff information (19 U.S.C. 1332). These summaries contain descriptions (in terms of the Tariff Schedules of the United States) of the thousands of products imported into the United States, methods of production, and the extent and relative importance of U.S. consumption, production, and

trade, together with certain basic factors affecting the competitive position and economic health of domestic industries.

Sources of Information

Inquiries should be directed to the specific organizational unit or to the Secretary, United States International Trade Commission, 500 E Street SW., Washington, DC 20436. Phone, 202-205-2000.

Contracts The Chief, Contracting and Procurement Division, has responsibility for contract matters. Phone, 202-205-2730.

Employment Information on employment can be obtained from the Director, Office of Personnel. The agency employs international economists, attorneys, accountants, commodity and industry specialists and analysts, and clerical and other support personnel. Phone, 202-205-2651.

Publications The Commission publishes results of investigations concerning various commodities and subjects; it also publishes a series of reports on chemicals. Other publications include *Industry and Trade Summaries*, an annual report to the Congress on the operation of the trade agreements program; and an annual report to the Congress of Commission activities. Specific information regarding these publications can be obtained from the Office of the Secretary.

Reading Rooms Reading rooms are open to the public in the Office of the Secretary and in the Commission Library.

For further information, contact the Secretary, United States International Trade Commission, 500 E Street SW., Washington, DC 20436. Phone, 202-205-2000.

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